

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
UNSTARRED QUESTION NO.794
ANSWERED ON 08.02.2022

PAYMENT DUES ON DISCOMS

794 SHRI JAWHAR SIRCAR:

Will the Minister of **POWER**
be pleased to state:

- (a) whether it is a fact that total outstanding dues owed by electricity distribution companies (DISCOMs) to power producers have risen to ₹1,13,227 crore in December;
- (b) whether the payment security mechanism under which DISCOMs are required to open the Letter of Credit (LC) for getting power supply, is working satisfactorily;
- (c) the position regarding Government's waiver of penal charges for the late payment of dues; and
- (d) the fate of the ₹ 90,000 crore liquidity infusion for DISCOMs that Government had announced?

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) : As per information available, total outstanding dues owed by electricity Distribution Companies (DISCOMs) to Central Public Sector Generation Companies, Independent Power Producers (IPPs) and Renewable Generators as on 31.12.2021 are **Rs.95,167 Crores**. State-wise details of power dues are available at **Annexure**.

(b) & (c): Payment security mechanisms through Letter of Credit (LC), etc. are integral part of most of the Power Purchase Agreements (PPAs) between DISCOMs and Generating Companies. The same was linked to despatch of power by the Government vide order dated 28th June 2019.

The status regarding the Letter of Credit and Late Payment Surcharge is as follows:

- 1) The requirement of either making prepayment or giving Letter of Credit (LC) with the entire cost of the power was relaxed to 50% during the period 24.03.2020 to 30.06.2020. Thus, DISCOMs were required to either pay in advance or give LC for 50% of the cost of power they wanted to be scheduled; the remaining 50% was to be paid within the period given in the PPA, failing which the delayed payment surcharge would apply. This was not applicable for State Generators.
- 2) Central Electricity Regulatory Commission (CERC), in accordance with the directions issued by the Government of India under section 107 of the Act, had issued an order to the effect that if any delayed payment by the Distribution Companies to the Generating Companies and inter-State Transmission Licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned Distribution Companies shall make the payment with Late Payment Surcharge (LPS) at the reduced rate of 12% per annum.

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- 3) Further, in order to alleviate the financial stress on the DISCOMS due to higher late payment charges (15% to 18%) and also make available funds for Generating Companies, Government, on 20.08.2020, has advised the Generating Companies and Transmission Companies to charge Late Payment Surcharge at a rate not exceeding 1% per month for all payments made under the Liquidity Infusion Scheme from Rural Electrification Corporation (REC) Ltd and Power Finance Corporation (PFC) Ltd under Atmanirbhar Bharat Abhiyan with a long repayment period upto 10 years.
- 4) The Government has notified an Electricity (Late Payment Surcharge) Rules, 2021 on 22nd February, 2021. Late Payment Surcharge dues have been linked to the marginal cost of funds based lending rate for one year of the State Bank of India. Thus, it has been rationalized.

(d): In order to tide over the liquidity problems of the power sector, exacerbated by the outbreak of COVID-19, the Government of India announced a Liquidity Infusion Scheme as part of Aatmanirbhar Bharat Abhiyan on 13th May, 2020. Under this intervention, Rural Electrification Corporation (REC) Ltd. and Power Finance Corporation (PFC) Ltd. are extending special long term transition loans up to 10 years to Discoms for liquidating outstanding dues (as on 30.06.2020) of CPSE GENCOs & TRANSCO, IPPs and RE Generators. So far, Loans to the extent of Rs.1,35,497 Crore have already been sanctioned and Rs.1.03 Lakh Crore have been disbursed as on 31.12.2021. The disbursement under the long term transition loans have been linked with DISCOMs undertaking specified reform measures.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF UNSTARRED QUESTION
NO. 794 ANSWERED IN THE RAJYA SABHA ON 08.02.2022

| Gencos Overdues as on 31.12.2021 | | | | | |
|---|---------------------------|---------------|--------------|--------------|--------------|
| Sl. No. | States | CPSEs | IPPs | REs | Total |
| 1 | Andaman & Nicobar Islands | 10 | --- | --- | 10 |
| 2 | Andhra Pradesh | 322 | 408 | 6,627 | 7357 |
| 3 | Arunachal Pradesh | --- | --- | --- | 0 |
| 4 | Assam | 1 | --- | 2 | 3 |
| 5 | Bihar | 0 | 553 | 33 | 586 |
| 6 | Chandigarh | 75 | --- | --- | 75 |
| 7 | Chhattisgarh | 11 | 65 | 24 | 100 |
| 8 | Dadra & Nagar Haveli | 4 | 402 | --- | 406 |
| 9 | Daman & Diu | --- | --- | --- | 0 |
| 10 | Delhi | 748 | 5 | --- | 753 |
| 11 | Goa | 9 | --- | --- | 9 |
| 12 | Gujarat | 19 | 14 | 233 | 266 |
| 13 | Haryana | 229 | 1,449 | --- | 1678 |
| 14 | Himachal Pradesh | 4 | 1 | --- | 5 |
| 15 | Jammu & Kashmir | 6,254 | 6 | --- | 6260 |
| 16 | Jharkhand | 2,328 | --- | --- | 2328 |
| 17 | Karnataka | 1,853 | 1,072 | 2,358 | 5283 |
| 18 | Kerala | 134 | 397 | --- | 531 |
| 19 | Lakshadweep | --- | --- | --- | 0 |
| 20 | Madhya Pradesh | 897 | 2,668 | 1,752 | 5317 |
| 21 | Maharashtra | 411 | 16,640 | 1,689 | 18740 |
| 22 | Manipur | 69 | --- | --- | 69 |
| 23 | Meghalaya | 514 | --- | --- | 514 |
| 24 | Mizoram | 41 | --- | --- | 41 |
| 25 | Nagaland | 6 | --- | --- | 6 |
| 26 | Odisha | 0 | 245 | 3 | 248 |
| 27 | Puducherry | 43 | --- | --- | 43 |
| 28 | Punjab | 63 | 1,075 | 133 | 1271 |
| 29 | Rajasthan | 501 | 9,214 | 1,291 | 11006 |
| 30 | Sikkim | 39 | --- | --- | 39 |
| 31 | Tamil Nadu | 6,193 | 8,174 | 2,558 | 16925 |
| 32 | Telangana | 785 | 2,955 | 2,429 | 6169 |
| 33 | Tripura | 224 | --- | --- | 224 |
| 34 | Uttar Pradesh | 632 | 7,749 | 15 | 8396 |
| 35 | Uttarakhand | 5 | --- | --- | 5 |
| 36 | West Bengal | 66 | 437 | 1 | 504 |
| | Total | 22,490 | 53529 | 19148 | 95167 |
